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Hearing Date: July 19, 2007 at 10:00 a.m. ET

QUARLES & BRADY LLP
Renaissance One
Two North Central Avenue
Phoenix, Arizona 85004-2391
(602) 229-5200
John J. Dawson (New York Bar No. 478197)
John A. Harris (Arizona Bar No. 014459)
Scott R. Goldberg (Arizona Bar No. 015082)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

DELPHI CORPORATION, et al.,

Debtors.

Chapter 11

Case No. 05-44481 (RDD)

(Jointly Administered)

**RESPONSE OF ON SEMICONDUCTOR COMPONENTS INDUSTRIES LLC
TO DEBTORS' 17TH OMNIBUS OBJECTION TO CLAIMS**

This Response is filed by ON Semiconductor Components Industries LLC, ("ON"), a supplier of electronic components to Delphi Automotive Systems LLC ("DAS") and to related entities that are the debtors ("Debtors") in the above captioned jointly administered Chapter 11 bankruptcy cases. This Response relates to the "*Debtor's Seventeenth Omnibus Objection (Substantive) Pursuant To 11 U.S.C. §502(b) And Fed R. Bankr. P. To Certain (A) Administrative Claims, (b) Claims Not Reflected On Debtors' Books and Records, (c) Insurance Claims Not Reflected On Debtors' Books and Records, (D) Untimely Claims and Untimely Tax Claims, and (E) Claims Subject To Modification, Tax Claims Subject to Modification, And Modified Claims Asserting Reclamation*" (the "17th Omnibus Claims Objection").

Before the Bar Date of July 31, 2006, ON filed Claim Number 11566 (the "Claim") against Delphi Automotive Systems LLC (Case No. 05-44640) in the amount of \$5,764,040.00. A portion of the Claim included a reclamation claim that ON also had timely filed against the Debtors. After the Bar Date, ON assigned all rights to receive cash and on-cash distribution (s) on account of the Claim, including the reclamation claim, to SPCP Group LLC as agent for (i) Silver Point Capital Fund and (ii) Silver Point Capital Offshore Fund Ltd (collectively, "Silver Point"), while retaining for itself the right to prosecute and defend the Claim in the Debtors' bankruptcy cases under Bankruptcy Code §§501, 502, and 546, as well as under Federal Rules of Bankruptcy Procedure 3001, 3002, 3003, 3007, and 9014.

On or about June 15, 2007, the Debtors filed the 17th Omnibus Claims Objection. The Claim is defined in the 17th Omnibus Claims Objection as a "Modified Claim Asserting Reclamation". See 17th Omnibus Claims Objection at ¶¶45-48. Pursuant to those paragraphs and related Exhibit E-3, in the 17th Omnibus Claims Objection, the Debtors propose to treat the Claim as a general unsecured claim in the amount of \$5,645,154.94 and as a Reclamation Claim in the amount of \$118,885.06, which would remain subject to the Reserved Defenses (as defined in the 17th Omnibus Claims Objection).

After the 17th Omnibus Claims Objection was filed, the Debtors and ON discussed issues related to the 17th Omnibus Claim Objection and to the Claim as well. Pursuant to those discussions, the Debtors and ON reached an agreement ("Agreement") regarding the allowance and treatment of the Claim. Pursuant to the Agreement, the Claim will be allowed on a final basis as a general unsecured claim in the amount of \$5,764,040, and that ON shall waive its right to assert any Reclamation Claim against the Debtors. The Parties expect to document the Agreement and to present it to the Court for approval in the form of a

stipulated order. Silver Point has consented to the treatment of the Claim as set forth in the Agreement described above. Accordingly, ON, the Debtors, and Silverpoint anticipate that all issues among and between them related to Claim No. 11566 will be resolved if the Court approves the Agreement.

Dated: July 10, 2007

Respectfully submitted,

Quarles & Brady LLP
Renaissance One
Two North Central Avenue
Phoenix, AZ 85004-2391
(602) 229-5200
John J. Dawson, New York Bar No. 478197
John A. Harris, Arizona Bar No. 014459
Scott Goldberg, Arizona Bar No. 015082

By: /s/ Scott Goldberg
Attorneys for Semiconductor Components
Industries, L.L.C., a subsidiary of ON
Semiconductor Corporation